

# **THE UNIVERSITY OF IOWA**

## **HEAD COACH CONTRACT**

This Contract (the "Contract" or "Agreement") is executed by and between the State University of Iowa (University) and Francis John McCaffery (Coach), effective July 1, 2012.

The parties hereto promise and agree as follows:

### **1. EMPLOYMENT TERM**

The term of Coach's appointment specifically to the position of Head Men's Basketball Coach shall begin July 1, 2012, and continue until June 30, 2019, unless this Agreement is terminated pursuant to Paragraphs 9, 10 or 11 below (the "Term").

### **2. DUTIES**

The Coach is responsible for supervising, planning and coordinating the University's Men's Basketball Program (the "Program"), and in so doing, Coach is expected to fulfill those duties listed in Appendix A, hereby incorporated by reference.

While the duties of assistant coaches shall be assigned Coach, it is understood that the head and the assistant coaches are directly responsible, separately and collectively, to the Director of Athletics for compliance with the policies of the University and the rules and regulations of the Big Ten Conference Inc. ("the Big TEN"), and the constitution and bylaws (and official interpretations thereof) of the National Collegiate Athletic Association (NCAA).

It is understood that assistant coaches are immediately responsible to the head coach who, in turn, is responsible for the activities of his staff he knew or should have known about with due diligence as they relate to the athletic interests of the University.

Coach understands and agrees that the Director of Athletics, as the administrative officer for the University, is charged with the responsibility to operate the program of intercollegiate athletics within the policies of the Board of Regents, State of Iowa, and the University and in accordance with the constitution, bylaws, rules, regulations, and policies of the Big Ten and the NCAA. In signing this Contract, Coach signifies that he understands and will use his diligent efforts to comply with the policies, rules and regulations of the Regents, University, Big Ten Conference, and the NCAA and agrees to abide by reasonable directives of the Director within the context of the abovementioned policies, rules and regulations as a condition of his employment.

Coach understands and agrees that he must notify the Director of Athletics prior to discussing any employment opportunities outside The University of Iowa and outside the scope of this Agreement to the extent that such opportunities relate to collegiate or professional basketball.

Notwithstanding anything to the contrary contained herein, in the event the University desires to terminate this Agreement as a result of any breach of this Section 2 by Coach, such termination shall only be permitted pursuant to Section 9.B. of this Agreement (and not pursuant to any other Section of this Agreement).

### 3. ANNUAL COMPENSATION

University agrees Coach will be paid a guaranteed annual salary as follows:

<i>Base Salary</i>	
Year one	\$750,000
<i>Outside Income</i>	
Public speaking, appearances, fundraising engagements and camps	\$250,000
Television and radio programming (paid directly by Learfield Communications, but guaranteed by the University)	\$150,000
Apparel/Shoe Contract (paid directly by Nike, but guaranteed by the University)	\$150,000
Total Outside Income	\$550,000
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<i>Total Annual Guaranteed Compensation - Year one</i>	\$1,300,000

• **Then, if NCAA bid achieved in 2012-13 *Schedule A***

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Base Salary	\$1,000,000	\$1,050,000	\$1,050,000	\$1,100,000	\$1,100,000	\$1,150,000
Outside Income	\$700,000	\$750,000	\$800,000	\$800,000	\$850,000	\$850,000
<b>Total Guaranteed</b>	\$1,700,000	\$1,800,000	\$1,850,000	\$1,900,000	\$1,950,000	\$2,000,000

• **Or, if NCAA bid not achieved in 2012-13 then *Schedule B***

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Base Salary	\$900,000	\$1,000,000	\$1,000,000	\$1,050,000	\$1,050,000	\$1,100,000
Outside Income	\$600,000	\$600,000	\$650,000	\$650,000	\$700,000	\$700,000
<b>Total Guaranteed</b>	\$1,500,000	\$1,600,000	\$1,650,000	\$1,700,000	\$1,750,000	\$1,800,000

If after year one the team receives a bid to participate in the NCAA Tournament, Coach's total guaranteed compensation will be as set forth in Schedule A above for the balance of the Contract term. If a post-season NCAA bid is not received at the end of the first year, Coach's guaranteed compensation shall be as set forth in Schedule B until the team receives an NCAA bid. Upon receipt of an NCAA bid at any time during the term of this Contract, Coach's guaranteed income will be determined according to the terms of Schedule A commencing in the Contract year following receipt of the NCAA bid and for the balance of the Contract Term.

Pursuant to standard University policies, Coach's annual compensation will be paid on a fiscal year basis dating from July 1 through June 30, and compensation increases, if any, shall start July 1.

#### **4. RECURRING INCENTIVE COMPENSATION**

University agrees Coach will be paid incentive payments as described should he meet the academic and/or athletic criteria described in this paragraph; provided that any such payment will be made within sixty (60) days of the date of meeting the criteria (said incentive compensation shall be deemed to have been earned as of the date of achievement):

**A. Annual Academic Success Incentive Criteria and Payments (up to a total of \$100,000 per year)**

- (1)** Achieving a team Academic Progress Rate (APR) of:
- |      |                   |
|------|-------------------|
| .930 | \$25,000 per year |
| .950 | \$25,000 per year |
| .975 | \$50,000 per year |

These amounts shall be for the highest level attained and are not cumulative.

- (2)** If the 6-year graduation rate of the team as determined by the NCAA Graduation Report exceeds the 6-year graduation rate of the general undergraduate student body at The University of Iowa, Coach shall be entitled to receive \$50,000 per year.

**B. Annual Athletic Success Incentive Criteria and Payments (per season):**

Big Ten Regular Season Title <sup>1</sup>	\$100,000
Big Ten Tournament Title	\$100,000
NCAA Bid (2012-13 only)	\$150,000
NCAA Bid (Remaining years of Contract)	\$25,000
For each NCAA Tournament Win (2012-13 only)	\$50,000
NCAA Sweet 16 appearance	\$50,000

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<sup>1</sup> Shared or outright.

NCAA Elite 8 appearance	\$50,000
NCAA Final Four appearance	\$100,000
NCAA Championship Game Appearance	\$50,000
NCAA Championship	\$150,000
NIT Bid (2012-13 only)	\$10,000
NIT Championship	\$50,000
Big Ten Coach of the Year <sup>2</sup>	\$30,000
National Coach of the Year <sup>3</sup>	\$50,000
Can be either NABC, UPI, AP	

The amounts in this Section B are cumulative.

## **5. OUTSIDE COMPENSATION/CONFLICT OF INTEREST/COMMITMENTS**

Upon advance written approval of the Director of Athletics and the President (not to be unreasonably withheld, delayed, or conditioned), Coach may enter into agreements with other parties to provide services not in conflict with this Contract for compensation. However, the University agrees that such approval shall only be necessary to the extent University approval is required by the University of all full-time and part-time University employees with respect to athletically related income

## **6. BENEFITS**

Coach shall receive standard fringe and employee benefits pursuant to University policy, with contributions and benefit amounts based only on the amounts paid directly by University. Coach shall also receive any employee-related benefits normally available to University professional employees in the Athletics Department. Coach shall be reimbursed for reasonable household moving expenses in accordance with University policy. Additional specific benefits will be provided pursuant to Appendix B.

## **7. DISCLOSURE**

Beginning with the effective date of this Contract, the Coach shall disclose annually on or about August 31 to the President and the Director of Athletics, sources and amounts of athletically-related benefits from sources outside the University to the extent such disclosure is required by the NCAA or the Big Ten Conference.

## **8. SPORTS CAMPS**

In addition to his salary, Coach may, subject to the approval of the Director of Athletics and the existence of sufficient camper enrollment, have an opportunity to participate in sports camps and clinics and to receive supplemental compensation which shall be subject to federal and state withholdings. Coach shall coordinate his participation in the camp with the Sports Camp Director, and comply with all NCAA and

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<sup>2</sup> Shared or outright.

<sup>3</sup> Shared or outright.

University policies regarding the conduct of such camps, including supplemental compensation, accounting requirements, and vacation requirements.

## **9. TERMINATION BY UNIVERSITY FOR CAUSE**

The University may terminate this Contract for Cause upon written notice to Coach. Such written notice must explicitly state that the University is terminating the Agreement for Cause, and must state the specific grounds that constitute Cause under this Agreement. "Cause" as used in this Contract shall mean the following:

- A.** One significant or repetitive violations of the duties of the Head Men's Basketball Coach, which are outlined in Appendix A, or of any of the other terms/conditions of this Contract, or a refusal or unwillingness to perform such duties in good faith and to the best of the Coach's abilities.
- B.** A major and intentional violation by Coach or multiple material secondary violations of NCAA or Big Ten rules or regulations by Coach, a member of the basketball coaching staff, or other person under the Coach's supervision or direction which, as reasonably determined by the University, (i) is substantially likely to result in the NCAA or Big Ten placing the University on probation, a finding of a lack of institutional control, loss of grants in aid, loss of post-season play, loss of revenue, or suspension of the Coach by the NCAA, and (ii) the Coach knew or should have known about with reasonable diligence and oversight;
- C.** A violation of any rule, regulation, or policy of the NCAA, Big Ten Conference, Regents, or University involving fraud, dishonesty, moral turpitude, violence, or conflict of interest, or commission of a crime whether prosecuted or not (excluding minor traffic offenses) involving fraud, dishonesty, moral turpitude, violence, or conflict of interest, or any other personal conduct that, as reasonably determined by the University, impairs Coach's ability to fulfill assigned duties or reflects adversely on the Coach's fitness to serve as head coach;
- D.** Death, or permanent physical or mental incapacity to perform assigned duties. Said physical or mental incapacity shall be determined by the majority of a panel of three physicians. One such physician shall be chosen by the University, one by Coach and the third physician shall be chosen by the two appointed by the parties.

In the event of termination under this paragraph, University's sole obligation to Coach shall be payment of his compensation (including expensed incurred by Coach prior to termination) provided for herein in Paragraph 3 to the date of such termination. The University shall not be liable to Coach for any collateral business opportunities or other benefits associated with Coach's position as Head Basketball Coach. Prior to termination for Cause, other than for death, University shall provide thirty (30) days' written notice of the factual basis for the proposed action and an informal opportunity for Coach to rebut the factual basis alleged. In the event of death, this Contract shall terminate automatically at the time of death.

Coach may challenge University's termination of Coach for Cause before a panel of arbitrators. The arbitration panel shall consist of three members, one person selected by the University, one by Coach, and a third person agreed upon by the nominees of the parties. In the event the parties are unable to agree upon a third arbitrator within 14 days, the parties shall request a list of 10 arbitrators from the American Arbitration Association selected for their experience in resolving similar disputes. The parties will select an arbitrator from the list by the "strikedown" method, with Coach having the first and last strike. The parties will share equally the costs of the arbitration, but shall bear individually the costs of their own counsel and representation.

University shall bear the burden of proving by a preponderance of the evidence its right to terminate this Agreement for Cause. In all other respects, unless the parties otherwise agree, the arbitration will be conducted in accordance with the rules of the American Arbitration Association. The decision of the panel shall be final and binding upon the parties.

This process is in lieu of any other University grievance procedure that might be available to Coach. In the event the panel, or a court of competent jurisdiction, determines the University lacked Cause for terminating Coach, the liquidated damage provision of Paragraph 10 shall apply as if the University terminated this Agreement without Cause.

#### **10. TERMINATION BY UNIVERSITY WITHOUT CAUSE; LIQUIDATED DAMAGES**

This Contract may be terminated by the President at any time without Cause, upon written notice to Coach (any written termination notice to Coach by the President or the University that does not explicitly state that such termination is for Cause shall be deemed a termination without Cause, and the provisions of this Paragraph 10 shall apply). In such event, Coach will not be reassigned to any other position within the Department of Athletics. Further, in such event, University shall make a lump sum payment to Coach as liquidated damages and not compensation or a penalty, in lieu of any and all other legal remedies or equitable relief, the sum of \$4 million if the Contract is terminated during the first year it is in effect, reduced by \$250,000 for each year that Coach is employed under this Contract prior to termination by the University without Cause; the University shall also promptly reimburse Coach for all expenses incurred by Coach prior to termination that would have been reimbursable had this Agreement not been terminated. The University shall also be responsible for all amounts earned pursuant to the terms of this Contract by Coach prior to the effective date of termination but unpaid as of that date; and those amounts shall be due and payable within thirty (30) days of the effective date of termination. The University shall not be liable to Coach for any University benefits or any collateral business opportunities or other benefits associated with Coach's position as Head Men's Basketball Coach. The parties have bargained for this liquidated damages provision, giving consideration to the following: This is a Contract for personal services. The parties recognize that a termination of this Contract by University prior to its natural expiration may cause Coach to lose certain benefits, supplemental compensation or outside compensation relating to his employment at University, which damages are difficult to determine with certainty.

Accordingly, the parties agree to this liquidated damage provision, and the parties agree that Coach shall have no duty to mitigate or offset such damages.

#### **11. TERMINATION BY COACH**

Coach agrees not to seek or apply for other coaching positions without prior notice to the Director of Athletics. However, Coach may terminate this Contract without cause immediately upon written notice to University. In the event of such termination, University's sole obligation to Coach shall be payment of his compensation as provided in Paragraph 3 hereof through the date of such termination, as well as any incentive compensation earned but unpaid pursuant to Paragraph 4 above (including expenses incurred by Coach prior to termination that would have been reimbursable had this Agreement not been terminated).

If Coach terminates the Contract voluntarily and accepts another head basketball coaching position with any professional team or other Division I college or university (a "Position") within two years of termination from University (provided said date occurs during what would have otherwise been the Term, had it naturally expired), he will be responsible to pay University in one lump sum liquidated damages, in lieu of any and all other legal remedies or equitable relief, in the amount of \$2 million during the first year of this Contract, reduced by \$250,000 for each year he remains employed by University prior to the date he accepts such new Position.

#### **12. UNIVERSITY RECORDS**

All materials or articles of information including, without limitation, personnel records, recruiting records, team information, films, statistics or any other material furnished to the Coach by the University or developed by the Coach on behalf of the University or at the University's direction or for the University's use in connection with the Coach's employment hereunder are and shall remain the property of the University. In the event of the Coach's termination as provided herein, the Coach shall immediately cause any such materials in his possession to be delivered to the University. Coach may request copies of University records relating to the basketball program, which request shall not unreasonably be denied. Nothing herein is meant to restrict Coach's use beyond the Term of any materials relating to basketball strategies, game-plans, and the like (including training strategies, regimens, plans, etc.).

#### **13. DISPUTE RESOLUTION**

It is mutually understood that reasonable efforts will be made to resolve intradepartmental and interpersonal conflicts or disagreements as internal matters to be resolved in a spirit of goodwill among those concerned. An action on the part of Coach to publicly report internal problems or disagreements that arise will be regarded as contrary to the terms of this Contract. Public information should be provided through the Athletics Communications Office and in accordance with policies mutually agreed to by coaches, the Director of Athletics, and the University.

#### **14. INTERPRETATION AND APPLICABLE LAW**

This Agreement is made under and shall be interpreted according to the laws of the State of Iowa and Sections 409A and 457 of the Internal Revenue Code of 1986, as amended (the "Code"). Any rule to the effect that an agreement shall be construed against the party drafting shall have no application to this Agreement. If any provision of the Agreement or the application thereof shall be held invalid or unenforceable, the remaining provisions and their application shall not be affected thereby and shall continue to be fully effective and enforceable.

#### **15. FORCE MAJEURE**

If any of the obligations of any of the parties hereto is hindered or prevented, in whole or in substantial part, because of a Force Majeure Event, the same shall not be deemed to be a breach of this Agreement, and all other obligations of the parties shall continue unabated. A "Force Majeure Event" shall mean causes beyond the control of the parties including, but not limited to, act of God, inevitable accident, fire, illness or disability, labor dispute, riot or civil commotion, act of public enemy, act of terror and/or terrorism, governmental act, regulation or rule, failure of technical facilities, national day of mourning, emergency announcement or news bulletin, inability to obtain supplies, delays in transportation, embargos, illness, or other reason beyond the control of the parties that is generally regarded as Force Majeure. Delays or non-performance excused by this provision shall not excuse performance of any other obligation which is outstanding at the time of occurrence.

#### **16. ENTIRE AGREEMENT AND MERGER**

This Contract constitutes the full and complete agreement of the parties. No prior or subsequent written or oral understandings or representations pertaining to the subject matter of this Contract shall be binding upon the parties unless contained herein or set forth in the form of written amendment(s) to the Contract, executed by both parties and approved by the Board prior to becoming effective.



I have read and understand the Contract and agree to abide by its terms and conditions.

Date \_\_\_\_\_

Signed Francis John McCaffery  
Francis John McCaffery, Head Coach  
Men's Basketball

Date 6-8-12

Signed Gary A. Barta  
Gary A. Barta  
Director of Athletics

Date 6/21/12

Signed Sally Mason  
Sally Mason  
President

## **APPENDIX A**

### **DUTIES OF HEAD COACH**

Coach shall devote his full time and reasonable efforts toward directing, developing and implementing the University Men's Intercollegiate Basketball Program as set forth below and in the Professional and Scientific Position Description attached hereto:

- (a) General Program Management:
  - (i) conduct himself and the Men's Basketball Program in accordance with the Constitution and Bylaws of the Big Ten Conference and the NCAA;
  - (ii) have oversight responsibility for administrative duties pertaining to the Men's Basketball program;
  - (iii) supervise the conduct of assistant coaches and staff and their activities, including compliance with the Conference and NCAA legislation and provide annual evaluations thereof;
  - (iv) follow appropriate departmental chain of command;
  - (v) abide by all applicable Board policies, University, Conference, and NCAA rules and regulations;
  - (vi) perform other duties as Head Coach as may be reasonably assigned to a men's Division I NCAA Head Basketball Coach by the Director of Athletics and/or President, within reason.
  - (vii) Notwithstanding anything to the contrary contained herein, in the event the University desires to terminate this Agreement as a result of any breach of Section (a)(i), (a)(iii), and/or (a)(v) of this Appendix A by Coach, such termination shall only be permitted pursuant to Section 9.B of this Agreement (and not pursuant to any other Section of this Agreement).
- (b) Teaching/Training
  - (i) teach the mechanics and techniques of basketball to Team members;
  - (ii) coach student-athletes of the Team, analyze performances, and instruct student-athletes of the Team in areas of deficiency;

- (iii) develop Team for sport competition; oversee daily practice of student-athletes on the Team;
  - (iv) assist Strength Coach in designing and implementing a strength program for the Team.
- (c) Counseling/Advising student-athletes on the Team:
  - (i) in conjunction with the faculty, encourage academic progress of student-athletes toward graduation;
  - (ii) cooperate with student services for the benefit of student-athletes;
  - (iii) encourage exemplary citizenship of student-athletes;
  - (iv) coordinate with Department of Athletics and University student disciplinary policies and procedures.
- (d) Budget Management:
  - (i) maintain responsibility for the fiscal and budgetary functions associated with the Men's Basketball program and perform such functions in accordance with University policies (as uniformly applied).
- (e) Recruiting:
  - (i) recruit talented student-athletes for the Men's Basketball program with the goal that they will be committed students and exemplary citizens.
- (f) Public Relations:
  - (i) promote the University, the Athletics Department, and the Men's Basketball program.

## **APPENDIX B**

Coach's spouse and immediate family members may travel to road games aboard regular team mode(s) of travel at the Coach's discretion.

University will provide two (2) automobiles and reasonable and appropriate automobile insurance for exclusive use of head coach and spouse. Personal usage is subject to current IRS regulations.

Coach will receive 12 game tickets and two (2) parking passes to each Men's Basketball home game subject to regular University auditing and compliance procedures.

University will pay for 4 game tickets to each NCAA Division I Men's Basketball Final Four.

Coach will receive 6 game tickets and one (1) parking pass to each University football home game and 6 game tickets to any "bowl game" (for his immediate family's personal use only-if he wants tickets for others, University will use its best efforts to make available but will require payment for them) subject to regular University auditing and compliance procedures.

Unless otherwise specified, each of the above benefits is to be provided Coach without expense to him. In the event the University may no longer provide such benefits without expense, Coach will retain a priority right to purchase such benefits and the University will adjust Coach's income on an after-tax basis so that Coach may purchase such benefits with no diminution in the total economic value of this Contract.